

**Gary Paxton Industrial Park - Board of Directors Meeting
January 25, 2018 3:00 pm SEDA Conference Room**

A. CALL TO ORDER: The Chair called the meeting to order at 3:07 pm.

B. ROLL CALL

Members Present: Scott Wagner, Hugh Bevan, Sheila Finkenbinder, Charles Horan,
Dan Jones (teleconference)

Members Absent: None

City Representatives: Keith Brady, Michael Harmon, Dan Tadic, Shilo Williams, Brian Hanson, Bob Potruzuski

Others Present: Garry White, Jim O'Brien, Robert Woolsey, Trevor Harang, Lee Hanson, Aaron Bean, Richard Wein, Mary Suminski, Tim Eddy

C. Review of Minutes- December 13, 2017

MOTION: M/S Finkenbinder/Bevan moved to accept the minutes December 13, 2017

ACTION: Motion PASSED 5/0 on a voice vote

D. Correspondence & Other Information

Mr. White briefly discussed the GPIIP Budget stating that utilities and building repair are projected to go over budget due the Administration building still owned by the City. Mr. Bevan asked Mr. White to look into why the GPIIP Budget was behind in revenue.

E. Changes/Additions/Deletions to Agenda- None

F. Reports

Executive Director

GPIIP DOCK

Mr. White informed the board that the dock at GPIIP was now in the City of Sitka's ownership and insurance. He stated that prior to using the dock a landline would need to be installed per fire code. It was also mentioned that the piling were removed, outside contractor was completing the tariff schedule and that the security cameras were in the works. Mr. Tadic added that 'punch list' items were being completed this week. It was suggested to plan a grand opening.

BULK WATER

Mr. White informed the board that Arctic Blue Waters had not paid the City and was now in default, he said that he would be working with the City Attorney to draft a letter that would give Arctic 45 days to cure the default. Mr. White also stated that the Eckharts had not paid in 3 months and that they were no longer communicating. Mr. Bevan mentioned a water crisis that would be effecting Cape Town, South Africa that there would be no water beginning in April.

GPIP PROPERTY

Mr. White stated that clean-up of Lot 9A and 15 was out for bid and that the Sawmill Farm had been notified that the City would clean up the Farm and be charging her.

A discussion about cell phone service at GPIP revealed that the Electric Department was working on upgrade this summer and GPIP was hoping to tie into that system.

G. Persons to Be Heard-None

H. Unfinished Business

1. Administration Building

Board discussed the details of selling the Administration Building

Comments:

- A member from the public expressed interest in leasing the Administration building with intent to remodel with milestones if agreeable with the board.
- Mr. White informed the board he did not bring the board's December recommendation forward to the Assembly. Mr. White stated two issues with the December recommendation were the following:
 - Mr. White had a discussion with the CBS Attorney regarding the liability to the CBS with leasing the property. Leasing the building with the current landslide risk was not advisable.
 - Mr. White would like the board to better identify actions that would consist of remodeling the building.
- Mr. White stated selling the building, rather than leasing, would be a better option and potentially could offer less risk to the CBS.
- The administration building is the 'Gateway' to the park and it is imperative that it be visually pleasing.
- It was mentioned that the entire building is not in the high-risk zone, only about 1/3 of the building is.
- Mr. White informed the board that he has contacted two construction firms and determined an estimate for demolition and abatement of the building was \$775K-\$800K, up to 1 Million.
- It was stated that the expense of the Administration building has always been higher than the income and that it is a problem property. Use should be compliant with the property and that it should look nice upon entering the park.
- It was asked about having covenants on the property dealing with use/landscape; the City Attorney stated that the law does not allow for that.
- A board member reminded the board that a motion was already voted on regarding the building.
- Several board members expressed in selling rather than leasing the building.

MOTION: M/S: Jones Move to recommend that the City and Borough of Sitka Assembly approve to sell lot 23 via the invitation to bid process, with no minimum bid, and with a requirement that the property be demolish or renovate to code within 24 months.

ACTION: DIED lack of 2nd

MOTION: M/S: Horan/ Bevan Move to recommend that the City and Borough of Sitka Assembly approve to sell lot 23 via the invitation to bid process, with no minimum bid. Potential buyers must read

Landslide Assessment, Shannon Wilson Geo-tech Report and City and Borough of Sitka Zoning Code/Map.

ACTION: Motion PASSED 5/0

Yes: 5- Finkenbinder, Jones, Bevan, Horan, Wagner

No: 0

I. New Business

1. O'Brien Lot 7 Lease Request

Mr. Wagner & Mr. Jones were recused, Mr. Bevan acted as Chair.

Mr. O'Brien requested leasing lot 7 of GPIIP to store equipment and material (rock) to process (crusher and screener); he is offering to pay \$.03/SF/Month or \$986.37/Mo. He is requesting to lease the lot for a 12-month term with option to renew for up to three additional years.

- It was asked if 4 year was need, Mr. O'Brien stated that he is thinking long-term, he has plans that makes the longer term necessary.
- Mr. White was asked if he felt this was a good fit for GPIIP, he stated that yes, he believed it was.
- A board member asked if Mr. O'Brien would be using material that was at GPIIP (cleaning up the site) and Mr. O'Brien said that he would be bring the lot down to grade, improving the property and using the material that was utilizable.
- It was asked why a lower than market price, it was mentioned that currently the revenue is zero and intermitted properties do not fetch the same prices as permanent or housing markets.
- A board member stated that eventually Lot 7 would be part of a tariff area and that the tariff would trump the lease but that O'Brien would be allowed to stay if agreeable to the terms of the tariff.
- Mr. O'Brien asked about remediating fill at GPIIP. Mr. O'Brien was asked to come back to the board when he had the permitting in place.
- Mr. White stated that the fair market value of lot is \$1,109.67/Month.

MOTION: M/S: Horan/Finkenbinder Moved to recommend the City and Borough of Sitka Assembly lease lot 7 to O'Brien and Son's Construction for a 12 month term, with an option for three (3) successive 12-month terms at \$1000/mo for year 1, \$1100/mo for year 2 and \$1200/mo for year 3 and 4.

ACTION: Motion PASSED 3/0

Yes: 3-Finkenbinder, Horan, Bevan

No: 0

Recused: 2-Jones, Wagner

2. Arctic Blue Waters Alaska Inc.

Mr. White informed the board Arctic Blue Waters Alaska, Inc. had failed to make its \$90k payment with the 120 days. He informed the board that he would be working with CBS Attorney, Brian Hanson to draft a 45-day cure letter, after which the agreement could be terminated.

No Action was taken.

3. GPIIP Dock Insurance

Mr. White informed the board that the City had liability insurance for the dock, but not property, he felt that having property insurance would be prudent.

Comments:

- It was mentioned that the liability insurance would cover in the event that the dock sank.
- Board asked that Mr. White bring the policy to the board for their review.

MOTION: M/S: Finkenbinder/Jones Finkenbinder Moved to recommend the City and Borough of Sitka obtain property insurance at an annual premium of \$5,200 for the dock at the Gary Paxton Industrial Park.

ACTION: Motion PASSED 5/0

Yes: 5- Bevan, Horan, Wagner, Finkenbinder, Jones

No: 0

4. CBS Water Rights

Mr. White told the board that a Water Committee had been formed with himself and various CBS staff. He stated the need to establish a standard unit of measurement for water.

Comments:

- Board members were concerned with the 'Speed limit' in the tunnel and that it may be a limiting factor for obtaining water.
- Board members were disappointed that there were no members from the Electric Department, City staff agreed.

Other Comments:

- Mr. White stated that a new map for the GPIIP is being finalized.
- A board member suggested that we ensure that the tariff covers aggregate over the waterfront.

J. Adjournment: M/S Bevan/Finkenbinder moved to adjourn the meeting at 4:51 pm